

**Exhibit 3**



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MARK S. ALLARD  
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May 7, 2007

Michelle Levitt  
Associate General Counsel  
American International Group, Inc.  
70 Pine Street, 28th Floor  
New York, NY 10270

Re: Gainey Re Anderson

Dear Michelle:

Gainey Corporation received a demand for payment from American Home Assurance Company pursuant to Policy No. 979-85-73, in a total amount of \$1,000,000. The payment amount is demanded by American Home Assurance Company in relationship to the above-referenced litigation.

Gainey Corporation expressly objected to the settlement of the *Anderson* Litigation, but American Home Assurance Company settled that case over that objection on March 11, 2007. American Home Assurance Company did not have sufficient knowledge or information upon which to base this determination to settle the case, and the handling of this claim by its employees, and its agent, FARA, prejudiced Gainey Corporation in this process.

Gainey Corporation does not believe it is required to fund this settlement, in any amount, due to the actions of American Home Assurance Company, and FARA, and hereby objects to the funding of this amount.

Please let me know if you have any questions regarding this matter.

Sincerely yours,

VARNUM RIDDERING SCHMIDT & HOWLETT LLP

By:

A handwritten signature in black ink, appearing to be "M. S. Allard", written over a horizontal line.

Mark S. Allard

MSA/jvs  
cc: Harvey Gainey  
David Carter  
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